

March 8, 2011

**Updated Message to Investors from the Chief Financial Officer of the City of San Diego**

On November 16, 2010, the City advised that it would not file its audited financial statements for fiscal year 2010 with the municipal market's repository, the Electronic Municipal Market Access (EMMA) system, by the deadlines required under the City's various continuing disclosure agreements (beginning 270 days after the end of the respective fiscal year). As described in the November 16, 2010 Message to Investors, the preparation of the financial statements for fiscal year 2010 has been delayed due to technical difficulties encountered during the implementation of a new enterprise resource planning system, and it had been expected that the completion and release the City's fiscal year 2010 Comprehensive Annual Financial Report ("2010 CAFR") would occur in June 2011.

The City now expects to release its 2010 CAFR in July or August 2011. As reported in the November 16, 2010 Message to Investors, the City does not expect the audited financial statements for fiscal year 2011 to be delayed.